

Message Text

UNCLASSIFIED

PAGE 01 TAIPEI 01827 250700Z

17

ACTION TRSE-00

INFO OCT-01 EA-11 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 L-03 DRC-01 /092 W

----- 075797

R 250534Z MAR 74

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 1308

UNCLAS TAIPEI 1827

E.O. 11652: N/A

TAGS: EFIN, TW

SUBJ: GRC TAX AMENDMENTS

REF : STATE 42821

1. EMBOFFS MARCH 12 INFORMED MOF AND AMERICAN CHAMBER (ACC) OFFICIALS AT JOINT MEETING ON TAXES AND OTHER MATTERS THAT U.S. INTERESTED IN CONCLUDING TAX TREATY ALONG LINES PREVIOUSLY EXCHANGED DRAFT, BUT WOULD INSIST AN INCLUSION ARTICLE SETTING MAXIMUM WITHHOLDING TAX RATE. SAID EMBASSY WOULD PROVIDE NEW DRAFT TO MOF AND ACC WHEN AVAILABLE. ALL PARTIES PRESENT AGREED THIS WAS BEST LONG RANGE SOLUTION TO PROBLEM CREATED FOR U.S. FIRMS BY NEW ROC 35 PERCENT WITHHOLD TAX RATE.

2. IN MEANTIME, REAL PROGRESS APPEARS TO HAVE BEEN MADE IN TEMPORARY ARRANGEMENTS, PENDING TREATY COMING INTO FORCE, TO ALLOW U.S. FIRMS CONTINUE WITHHOLD TAX AT ONLY 15 PERCENT. PEAT, MARWICK AND MITCHELL HAD PROVIDED RATHER ELABORATE DRAFT OF IMPLEMENTING REGULATIONS FOR NEW PARAGRAPH 17 OF STATUTE TO ENCOURAGE INVESTMENT WHICH WOULD HAVE MADE IT POSSIBLE FOR FOREIGN FIRMS INVESTING IN APPROVED PROJECTS TO AVOID WITHHOLDING TAXES ON DIVIDENDS OVER 15 PERCENT. AT MEETING REFERRED TO ABOVE, MOF PRESENTED ITS OWN DRAFT OF SIMPLER IMPL-

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TAIPEI 01827 250700Z

MENTING REGULATIONS WHICH WOULD REQUIRE FIRMS PROVIDE

AFFIDAVITS THAT THEY COULD NOT TAKE TAX CREDIT IN THE
U.S. FOR MORE THAN 15 PERCENT. THIS PROPOSAL AGREED TO BY
ACC MEMBERS AND MOF HAS NOW PRESENTED IT TO CABINET
FOR APPROVAL. COPY WILL BE POUCHED WHEN APPROVED.
MCCONAUGHY

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TAX LAW, AGREEMENT DRAFT, FOREIGN INVESTMENTS, INCOME TAXES, TAX AGREEMENTS, NEGOTIATIONS, BUSINESS FIRMS, TAX RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 25 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TAIPEI01827
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740063-0404
From: TAIPEI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740316/aaaaapijw.tel
Line Count: 66
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: STATE 42821
Review Action: RELEASED, APPROVED
Review Authority: kelleyw0
Review Comment: n/a
Review Content Flags:
Review Date: 23 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 JUL 2002 by elbezefj>; APPROVED <11 DEC 2002 by kelleyw0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GRC TAX AMENDMENTS
TAGS: EFIN, TW, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005